

Chapter 3

Conceptual framework

3.1 INTRODUCTION

The responsibilities of the nurse manager in cost containment is acknowledged as a serious issue, but the extent of these responsibilities and their contributions to general cost containment efforts in health institutions are usually not well defined. Although this study, like some others, was also not able to define such responsibilities precisely, it attempted to show the nurse managers' perceptions regarding these to some extent. The framework derived from the research questions, as described in Chapter 1, and the literature review, figure 3.1, served as a point of departure for this study.

3.2 DISCUSSION OF CONCEPTUAL FRAMEWORK

The main elements or aspects of the framework for this study, as depicted in figure 3.1, are discussed briefly.

Figure 3.1

3.2.1 Preparation of the nurse manager regarding financial management

As early as 1988 it was pointed out that the changing face of the health care situation necessitated an overhaul of most of the existing educational programmes for nurse managers. A number of authors (Dunne, Ehrlich & Mitchell 1988:13; Rawson 1988:199-200; Wagner, Henry, Giovinco & Blanks 1988:213) have suggested that regarding financial (cost-effective) management the following aspects should be addressed during the training of nurse managers:

- the methods of financing health services
- the theories of micro- and macro-economics
- methods of conducting an economic analysis
- economic appraisal, for example, cost-benefit analysis
- methods and principles of accounting in health services
- analysis of financial information
- the preparation and analysis of budgets in general
- the allocation and redistribution of financial resources

3.2.1.1 Knowledge of budgetary control

Knowledge of the different budgets which have to be drawn up in health institutions, their preparation, and especially their respective uses, will assist the nurse manager to understand not only how the costs in the institution are distributed and maintained, but also when subordinates must be “shown the way” regarding cost containment issues. The director of nursing services in the Ministry of Health in Zimbabwe in 1989 stated:

Nurse managers cannot afford to have only clinical expertise. They control the health business at all levels and therefore should know how to run it well. Budgeting concepts, budgeting processes, staffing and resource development, are not normal practices for the nurse manager (Kadandara 1989:112).

3.2.1.2 Facilitation of cost containment in health services

Although some nurses do not like to think about the financial aspects of nursing, an important part of their practice relates to understanding what care costs and how those

costs are being paid for (Yoder-Wise 1995:253). Costs influence the way in which the nurse practitioners and managers of the future will have to render their services. Cost-conscious nursing practice calls for the following cost facilitating measures:

- knowing about costs and reimbursement practices
- discussing the costs of care with patients
- meeting patients' needs as far as possible
- evaluating cost-effectiveness of new technologies
- using nursing resources effectively
- using research to evaluate the standards of nursing practices (Westmoreland 1995:260-261)

3.2.2 Cost and productivity in health services

Costs and productivity goes hand in hand, because it is known that stepping up productivity levels is seen as a cost containment or cost curtailment measure. When levels of staff's productivity, however, is considered, it immediately springs to one's mind that some nurses are more productive than others, mostly because of different levels of motivation and often because of higher levels of knowledge/education. It is therefore essential that even when institutions are operating under severe budgetary constraints that some money is available for ways of continuing the knowledge levels of staff regarding their current job in order to build their capacities for more productive health care delivery. The supplementary services, which should in general try to ease the task of the nurses are often blamed by nursing personnel as putting unnecessary constraints on their abilities to perform their work. It is thus important that good inter-departmental relationships between these services and the nursing service are promoted in order to increase productivity levels and decrease costs.

3.2.3 Cost-effective management of personnel problems

According to Ward and Price (1991:415), productivity should be seen as a ratio rather than a constant, so management should determine what the minimum acceptable performance for each employee should be. Absenteeism among workers is a costly and complex management problem. The rate of absenteeism in any health care organisation should be

measured, and because it is such a costly problem, strategies for reducing the rate of absenteeism should be instituted and monitored (Roos 1998:355; 361). The retention of staff is difficult in nursing organisations. The costs of a high turnover rate among nurses relate to the advertising for and recruitment of personnel, the temporary filling of staff vacancies, interviewing and hiring new employees, the orientation and training of new personnel, and the lower productivity levels of the newly appointed staff members (Booyens 1993:357-358).

The task of the nurse manager of retaining staff encompasses ensuring that there is an atmosphere of satisfaction among the personnel; that appropriate disciplinary measures are executed when necessary; that staff are able to voice their problems and dissatisfactions at regular staff management meetings; that nurse managers themselves act timeously to meet reasonable requests from staff and that they use participative management styles as far as possible.

3.2.4 Control of stock

Nursing departments are usually stocked with large quantities of frequently used supplies. It is imperative for nurse managers to develop effective working relationships with the supplies management officer and the staff to maximise the benefits resulting from good purchase decisions, effective inventory control mechanisms, and the maintenance of the ideal amount of ward supplies.

New products should be carefully evaluated prior to making any purchasing decisions. Equipment requested by nurses should be assessed by different areas, so that all have a voice in the selection of equipment. Such participative purchasing decisions should motivate nurses to use the equipment appropriately and to care for it as required by the suppliers. Having the right equipment and supplies and being able to manage the availability of these items are what stock management is all about. Effective stock management enables the nurse manager to provide an environment conducive to excellent patient care (McDonagh 1994:472-473).

3.2.5 Curbing misuse of wheelchairs and telephone services

The misuse of wheelchairs is a specific cost problem encountered in public health services. Wheelchairs are acquired for moving patients around. When these costly pieces of equipment are being used to transport people other than patients, removed from the hospital's premises, and neglected and handled without the necessary care, the use/misuse of wheelchairs becomes a serious problem to which hospital authorities must pay attention in order to contain costs. The quality of patient care, and thus the hospital's reputation, might also seriously be affected by the chronic unavailability of wheelchairs in a sufficiently good condition to move patients around.

The misuse of telephones for personal conversations is a problem encountered in most organisations, and various methods of control are implemented in organisations. In hospitals, the misuse of telephone services could have more deleterious effects than in business organisations. Telephone misuse might lead to unnecessary suffering and even loss of lives, if assistance cannot be summoned in time because of telephones which remain engaged. The health service might face costly litigation charges, as well as unaffordable telephone bills, if members of staff misuse the hospital's telephones.

3.2.6 Other cost-containment measures

When health expenditures need to be curbed drastically, especially in public hospitals, authorities can consider a variety of measures which would otherwise not play such an important role. These measures include rationalising expensive services among a number of different hospitals, bulk buying of supplies and equipment for a number of hospitals, and presenting courses on financial management and cost containment, not only to nurse managers, but also to other hospital staff members who need to know the basic principles of financial management and service delivery. Measures to prevent litigation costs are always important, but in an atmosphere of severe financial cuts these measures assume greater significance.

3.3 CONCLUSION

Chapter 3 has depicted the conceptual framework on which this study was based. In the following chapter the research methodology adopted for this research will be presented.